



CITY OF GROVELAND  
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GROVELAND, FL 34736

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*"The City with a future, watch us grow!"*

Groveland City Council  
City Manager Report  
April 6, 2015

**Pending Action Items:**

- SR 50 Realignment Update: Our March 25th meeting with FDOT 5th District Secretary, Noranne Downs went extremely well. The topic of the meeting was to continue to press forward the city's request for Right-of-Way Acquisition Funding for the Groveland SR 50 Realignment. Ms. Downs agreed that our project is a priority for the Fifth District of FDOT as well, and she forwarded me an aggressive scenario for ROW and Construction that would place the 50 Realignment project in the Tentative Five Year Plan.

	FY 16	17	18	19	20	Total
ROW	\$450k	\$7.41m	\$7.20m	\$2.83m	\$2.28m	\$20.17m
Construction			\$11.7m			

- Hunt Industrial Park Update: (See Presentation Attached)
  - General Economic Development Concepts
  - Impact Fee review;
  - Identifying restrictive fees and non restrictive fees;
  - A wavier initiative that included third party and direct contributions;
  - A multi-year incentive options that could include staff recommendations that support the goal of presenting an incentive package that would zero out the impact fees related to the Hunt Industrial Park expansion.

**Report from the Desk of the City Manager:**

- Goal Setting Consultant - After going through the scope of services and considering the city's budgeted not to exceed amount of \$5,000. Lyle Sumek Associates, has offered to provide the attached scope of services for the price \$6,075 (attachment 2). The additional \$1,075 can come out of the (City Council's) operational reserve fund of \$5,778.

**Follow up / Reminder items:**

- None

**Events:**

- Box Car Racing -- CM/Box Car has indicated their desire to initiate the termination clause of their contract with the city. At this time, scheduled box car races are postponed.



## Basic Economic Development Concept

## MULTIPLIER EFFECT

**AN ECONOMIC TERM  
REFERRING TO HOW AN INCREASE IN  
ONE ECONOMIC ACTIVITY CAN CAUSE  
AN INCREASE THROUGHOUT MANY OTHER  
RELATED ECONOMIC ACTIVITIES.**

There are many ways that  
The multiplier effect can be  
Looked at in this project.

Business space provider

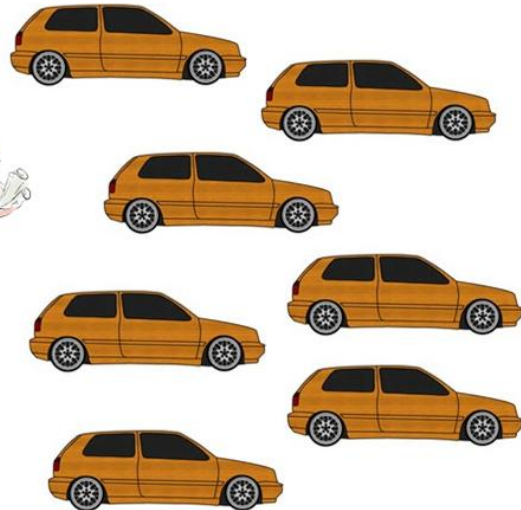
Hunt Industrial Park provides Flex Space Units for Commercial, Industrial, Retail, Warehouse, and Manufacturing uses. Flex Space can easily be defined as available warehouse space that can be customized for specific business uses.



## Economic Development in Action (assuming basic scenario)



Hypothetically  
SuperTech hires  
Seven Employees



But before we look at the multiplier effect on job creation...  
Let's look at a scenario that centers around business development...

## Economic Development in Action



Develops a product with high sales

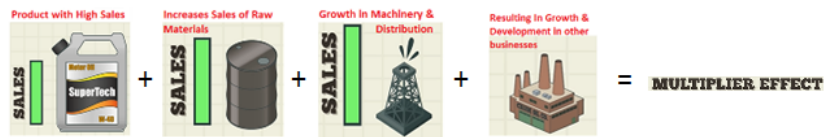




**H HUNT**  
INDUSTRIAL PARK



This Growth on top of Growth  
equates to a type of



## Economic Development in Action (assuming basic scenario)



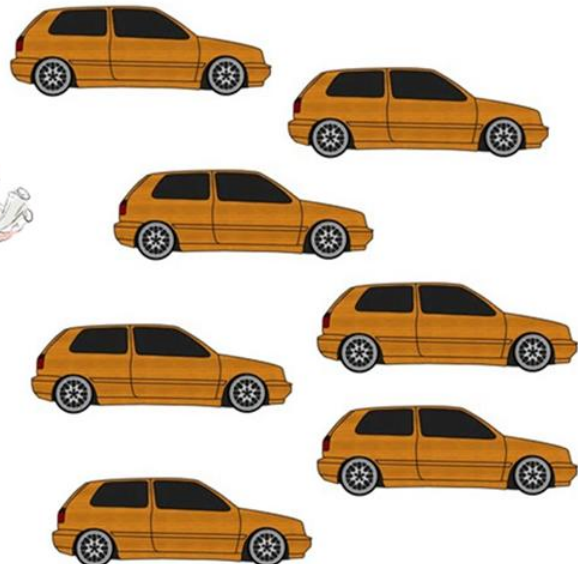
**H HUNT**  
INDUSTRIAL PARK

**Phase 3**  
62 business  
434 jobs



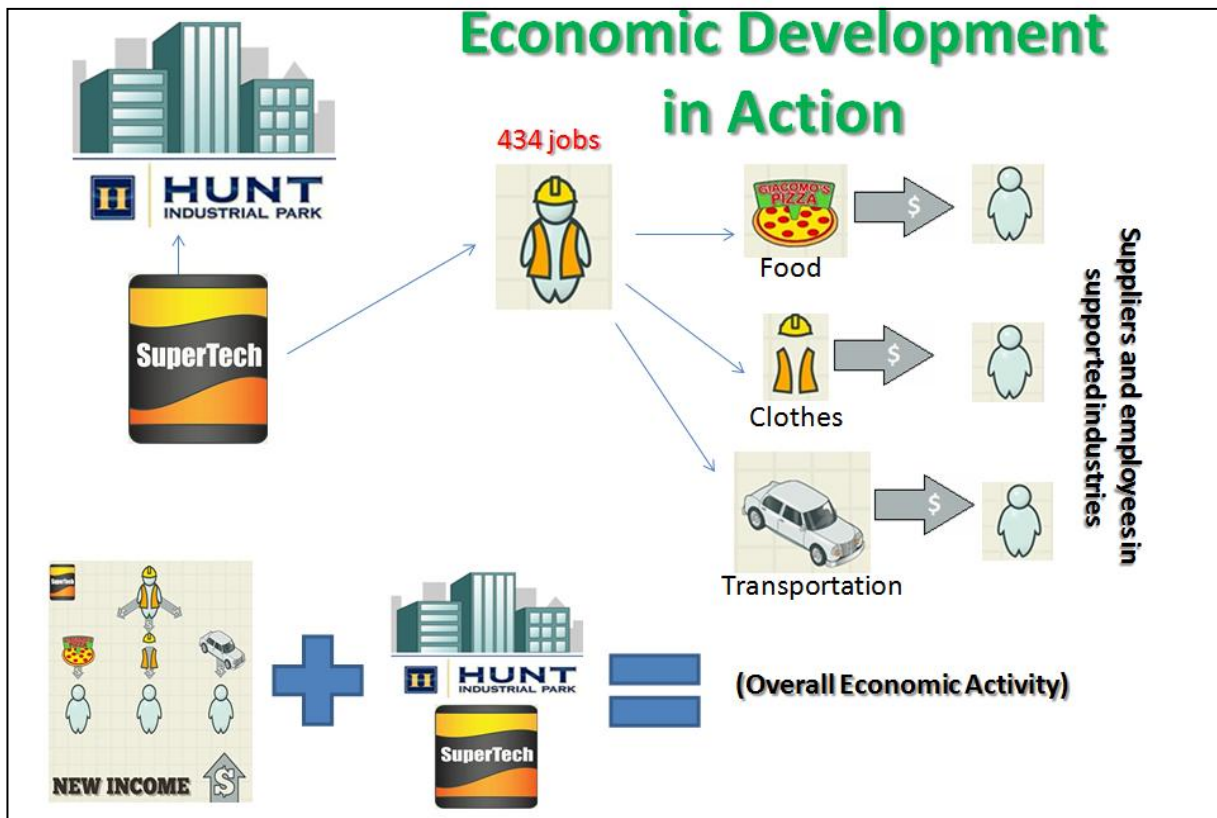
**Phase 1 & 2**  
59 business  
320 jobs

Hypothetically  
SuperTech hires  
Seven Employees

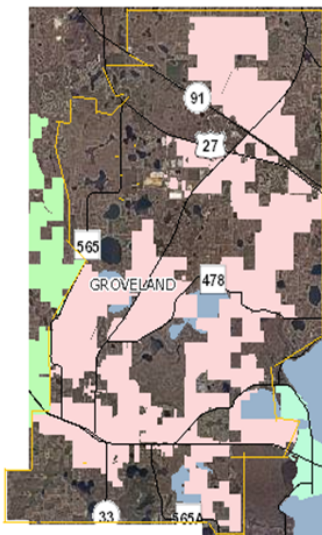


Consider SuperTech as one of sixty-two (62) businesses that on average employs seven (7) employees per business. With this average per business we could be looking at 434 jobs created from phase III alone (that is 4.5 time the number of employee employed by the City of Groveland).





## Multiplier Effect



Arguably the most powerful type of multiplier effect is the exponential increase of economic value when a community can circulate or recycle purchases, trade sales, and other transactions within its borders.

### For Illustration Purposes Only

Consider the Scenario

The City of Groveland has 373 registered businesses

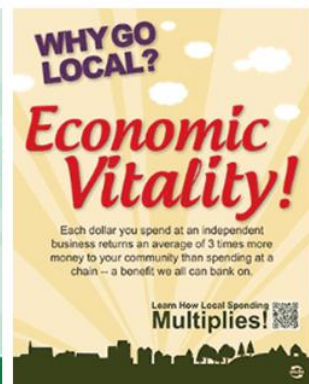
- (Assumption 1) 373 business on average has 7 employees each which represent a total of 2,611 jobs

- (Assumption 2) based on a 2009 jobs study lets say our 2,611 jobs equates to an Overall Economic Activity of \$333,607.

(Assumption 3) If we take our estimated Overall Economic Activity of \$333,607; studies show it will exponentially increase the more times the same dollars circulate within a confined market place (in this scenario that is within the City of Groveland).

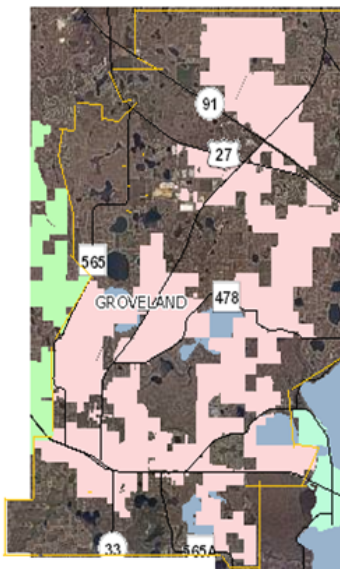
# Multiplier Effect (examples)

Buy Local Campaigns / Studies	Reports of Times of Re-circulation
Ogden, UT	3.55
Raleigh, NC	3.76
Louisville, KY	4.0
Six Corners Neighborhood (Chicago, IL)	5.2
Norfolk County, Ontario	7.45



## Multiplier Effect

**(Assumption 3)** Overall Economic Activity of \$333,607 will exponentially increase the more times the same dollars circulate within the City of Groveland boundaries.



**For Illustration Purposes Only**

Consider the Scenario

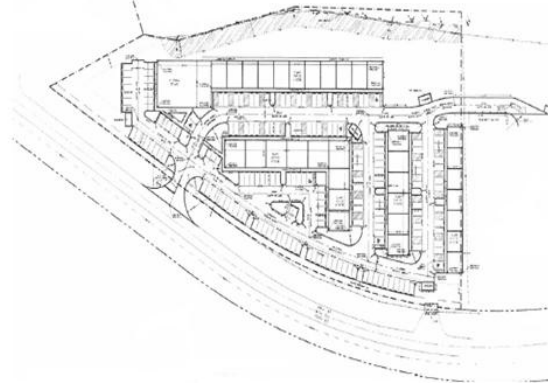
So if we take a very conservative recirculation multiplier of 2.5 times our overall economic activity assumption of \$333,607 we can increase overall economic activity by an additional \$500,410 strictly due to the monetary circulation within the city of Groveland boundaries.

**Estimated Local Economy Impact**

**That's \$834,018 annually in the Groveland economy made up of employees and businesses selling goods and services and in turn spending their earnings on local goods and services.**

# Hunts Industrial Park

(general investment profile)



- 5.2 acre parcel
- 39,900 sf. of warehouse / manufacturing space
- 7,072 sf. of office space
- Estimated 62 new businesses
- Private Investment / \$2.5 million and higher
- A potential overall economic impact of \$158,433 annually to the Groveland community (conservative multiplier effect of 2.5 x 63,373).
- Return on public Investment in year 4 - 7 with the additional revenue from new property taxes and sewer customers.

# Hunts Industrial Park

(Staff Methodology)

## Challenges of providing sewer to the project.

- Staff reviewed several options
  - 6600 feet of sewer force main was priced by engineer at \$400,000.
  - 9700 feet of sewer that connected with Marsh Point at a estimated project expense of \$388,000.
  - 2600 of 2" force main 565A to Max Hooks at a estimated project expense of \$40,000.
- Staff found a sewer solution that cost \$40,000 and gave the city the opportunity to gain a public asset of a lift station valued at \$150,000; and saved the project the time of a 6 month design period.



## Hunts Industrial Park

(Staff Methodology)

- Impact Fee assessment starts with the site review to determine building type, size, and value.
- Latest construction valuation table is used to determine best ERU estimate
- Other factors that help determine our various fees include the City Fee Schedule and the latest Impact Fee Study

	Total Fees	Incentives	Cash Incentives	
Sewer	\$ 11,198.12	\$ 11,198.12	\$ 25,000.00	CD ED Fund
Water	\$ 5,448.75	\$ 5,448.75	\$ 10,000.00	Bus Ctr. Rebate
Admin Facilities	\$ 4,697.20	\$ 4,697.20	\$ 21,855.00	Build. ED Fund
Fire Protection	\$ 18,291.00	\$ 6,576.08		Reduced
Police	\$ 28,140.00	\$ 10,333.84		Reduced
Lake County				
County Admin	\$ 100.00	\$ 0.00		Waived
County Impact	\$ 61,110.57	\$ 0.00		Rebated
Plan Review				
Fire Inspection	\$ 2,348.60	\$ 0.00		Waived
Building	\$ 5,919.22	\$ 2,959.61		Reduced
Permits				
Building Admin	\$ 7,209.77	\$ 0.00		Waived
Building Permit	\$ 39,797.30	\$ 19,898.65		Reduced
Zoning Fee	\$ 75.00	\$ 0.00		Waived
Virtual Admin Fee	\$ 7,210.00	\$ 0.00		Waived
Reduction bal.	\$191,545.53	\$ 61,112.25	\$ 4,257.00	



## Economic Development Incentives

(multi year options)

(private investment over \$2.5 million)

- Amortized incentives over a possible 5 years... allowing the developer to payoff impact fees during that period.
- Using future economic development cash incentive allocations to allow payments for larger incentive packages.
- Ability of the City to use future and current incentives to payoff restrictive and non restrictive impact fees that could span more than one fiscal year.

### Notes:

(multiplier effect scenario)

- Imagine a hypothetical influx of money, say one million dollars, entering a local economy. Now imagine these dollars are spent on local goods and services. Imagine that each of the local vendors who earned those dollars then re-spends that money on more local goods and services. Envision this cycle happening several times before this money is finally spent on imports – goods or services from outside the region.
- In this case, those one million dollars re-circulating eight times would act much like eight million dollars by increasing revenue and income opportunities for local producers.
- Now another scenario: picture that same amount of money being spent immediately at stores (or online) with businesses headquartered in other regions on imported goods. These transactions would add very little or no value to the local economy; one million dollars would act just like one million dollars instead of several million dollars

**PLANNING WORKSHOP**

**City of Groveland**

**March 2015**

ACTIVITY 1: Consultation and Planning with City Manager. 2.0

ACTIVITY 2: Conduct Background Interviews [~~1-hour~~ each] ~~6.0~~ 3.0

Mayor 30 min

Councilmembers

City Manager

ACTIVITY 3: Analysis of Data; Preparatio of Summary 2.0

ACTIVITY 4: Preparation of Leaders Guide 2015 - Working Document 4.0

*Strategic Planning Model*

*Performance Report 2014-2015*

*Looking to Groveland's Future*

*Goals 2020 with Outcome-based Objectives*

*Challenges and Opportunities*

*Actions for 2015-2016*

*Action Agenda 2015-2016*

ACTIVITY 5: Conduct Planning Session with Key Managers 4.0

ACTIVITY 6: Conduct Planning Sessiom for Mayor and Council 8.0

*Planning Model for Cities*

*Performance Report 2015-2016*

*Looking to Groveland's Future*

*Goals 2020*

*Objectives*

*Challenges and Opportunities*

*Actions for 2015-2016*

*Action Agenda 2015-2016*

*Policy Agenda: Top Priority, High Priority*

*Management Agenda: Top Priority, High Priority*

*Making the Process Work for Groveland*

ACTIVITY 7: Preparation of Final Reports 4.0

*Plan 2015-2020*

*Plan in Brief 2015-2016*

*Executive Summary*

27.0 hours  
~~TOTAL: 30.0 hours~~

~~\$6,750~~ - 6,075

**NOTE: City of Groveland covers - Duplication of Handouts and Final Reports and Mileage**